

ASSEMBLY BILL

No. 1003

Introduced by Assembly Member Ridley-Thomas

February 20, 2003

An act to add Section 23701m to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1003, as introduced, Ridley-Thomas. Bank and corporation tax: exemption: professional athletic team.

The Bank and Corporation Tax Law, in general, imposes a franchise tax on corporate taxpayers measured by the net income from California sources of the preceding taxable year. The Bank and Corporation Tax Law grants an exemption from the franchise tax imposed by that law to certain organizations.

This bill would provide that a professional athletic team, as defined, is exempt from the franchise tax for 5 taxable years following its formation in, or relocation to, a community redevelopment plan area on or after January 1, 2004.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 23701m is added to the Revenue and
2 Taxation Code, to read:
3 23701m. (a) For a period of five taxable years following its
4 formation or relocation, a professional athletic team, as defined in

1 Section 25141, that is either newly formed in, or relocated from
2 another state to, a community redevelopment plan area in this
3 state, as defined in the Community Redevelopment Law (Part 1
4 (commencing with Section 33000) of Division 24 of the Health
5 and Safety Code), on or after January 1, 2004.

6 (b) A “newly formed” or “relocated” professional athletic
7 team means a professional athletic team, as defined in Section
8 25141, that is formed or “relocated” on or after January 1, 2004.

9 SEC. 2. This act provides for a tax levy within the meaning of
10 Article IV of the Constitution and shall go into immediate effect.

